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FLOOR DEBATE

February 12, 2003 LB 140, 166, 259, 454, 753

LB 140, LB 166, LB 753 as indefinitely postponed. Priority bill designation: Senator Aguilar has selected LB 454 as his priority bill. (Legislative Journal page 500.)

Madam President, the next bill, LB 259, is by Senator Bromm (Read title.) Bill was introduced on January 13, referred to the Transportation and Telecommunications Committee, advanced to General File. I do have committee amendments, Madam President. (AM0124, Legislative Journal page 374.)

SENATOR SCHIMEK: Thank you, Mr. Clerk. Senator Bromm, you're recognized to open on your bill.

SPEAKER BROMM: Thank you, Madam President. Members, like to introduce LB 259. LB 259 is introduced to resolve what has come to surface as a very practical problem that prevents the Nebraska Railway Council from loaning money to... which is primarily federal funds, although originally, years and years ago, there was a small segment of state funds, but not for quite some time have any state funds been placed in this fund. But the problem is that short light-density railroads needs capital in order to improve or rehabilitate certain facilities, rail facilities, and this is what this money is intended for under the Light-Density Rail Line Assistance Act. And the problem is this. Right now, we have in statute that in order for one of these light-density railroads to access money from the fund, they must grant first lien collateral of 120 percent of the money in order to acquire a loan. The Nebraska statutes on this issue are more restrictive than federal regulations, which do require that there be security in some fashion, or a contingent security, but do not specify what specifically must be offered as collateral. LB 259 changes this lien requirement in 74-1415 from the current 120 percent of the Nebraska Railway Council's investment to a guarantee and collateral for the loan which is acceptable to the council as sufficient security to protect the interests of the council. Now the council does have an interest in making sure that they're secure because they want to get the money back in so it can be loaned out again to help the next project, but the current statutory language is so restrictive that there haven't been any ways for the money to be utilized. Most of these, probably all of these, light-rail operations,